

Appendix 1

Example of Calculation of Repo Transaction Settlement Value

1. Repo SBI Transaction Fund Settlement Value

On January 21, 2008, Bank "A" submitted a Repo using 1 month SBI of IDBI14020828C series of 10,000 units, with a nominal value of Rp10 billion, Repo rate of 11.00%, price of 99.46950%, and Haircut of 0% (as announced in the LHBUSystem).

Selling settlement value (first leg)

$$\begin{aligned} \text{First Leg} \quad & \text{Nominal Value} \\ \text{Settlement} = & \text{of SBI} \times (\text{SBI Price} - \text{Haircut}) \\ \text{Value} \quad & \text{under Repo} \\ \text{Rp10,000,000,000.00} \times (99.46950\% - 0\%) &= \text{Rp9,946,950,000.00} \end{aligned}$$

Repurchasing settlement value (second leg)

$$\begin{aligned} \text{Second Leg} \quad & \text{First Leg} \\ \text{Settlement} = & \text{Settlement} + \text{Repo Transaction} \\ \text{Value} \quad & \text{Value} \quad \text{Interest value} \\ \text{Rp9,946,950,000.00} + \left[\text{Rp9,946,950,000.00} \times \frac{11.00\% \times 1}{360} \right] &= \text{Rp9,949,989,345.83} \end{aligned}$$

2. Repo SUN Transaction Fund Settlement Value

On January 21, 2008, Repo rate at 11.00%, Bank "A" submitted a Repo using SUN with types and series as follows.

- a. ON of FR0010 series of 20,000 units, with a nominal value of Rp20 billion, price of 109.16580%, accrued interest of Rp940,014,000.00, and Haircut for ON with coupon system of 5.00000% (as announced in the BI-SSSS).

Selling settlement value (first leg)

$$\begin{aligned} \text{First Leg} \quad & \left(\text{Nominal Value} \right) \\ \text{Settlement} = & \text{of ON} \times (\text{Price} - \text{Haircut}) + \text{Accrued} \\ \text{Value} \quad & \text{under Repo} \quad \text{Interest} \end{aligned}$$

[Rp20,000,000,000.00. ...

$$[\text{Rp}20,000,000,000.00 \times (109.16580\% - 5\%)] + \text{Rp}940,014,000.00 = \text{Rp}21,773,174,000.00$$

Repurchasing settlement value (second leg)

$$\begin{array}{l} \text{Second Leg} \quad \text{First Leg} \\ \text{Settlement} = \text{Settlement} + \text{Repo Transaction} \\ \text{Value} \quad \text{Value} \quad \text{Interest value} \end{array}$$

$$\text{Rp}21,773,174,000.00 + \left[\text{Rp}21,773,174,000.00 \times \frac{11.00\% \times 1}{360} \right] = \text{Rp}21,779,826,914.28$$

- b. ON of ZC0001 series (zero coupon bond) of 5,000 units, with a nominal value of Rp5 billion, price of 93.61530%, and Haircut of 0% (as announced in the BI-SSSS).

Selling settlement value (first leg)

$$\begin{array}{l} \text{First Leg} \quad \text{Nominal Value} \\ \text{Settlement} = \text{of ZCB} \times (\text{ZCB Price} - \text{Haircut}) \\ \text{Value} \quad \text{under Repo} \end{array}$$

$$\text{Rp}5,000,000,000.00 \times (93.61530\% - 0\%) = \text{Rp}4,680,765,000.00$$

Repurchasing settlement value (second leg)

$$\begin{array}{l} \text{Second Leg} \quad \text{First Leg} \\ \text{Settlement} = \text{Settlement} + \text{Repo Transaction} \\ \text{Value} \quad \text{Value} \quad \text{Interest value} \end{array}$$

$$\text{Rp}4,680,765,000.00 + \left[\text{Rp}4,680,765,000.00 \times \frac{11.00\% \times 1}{360} \right] = \text{Rp}4,682,195,233.75$$

- c. SPN of SPN2008052801 series of 5,000 units, with a nominal value of Rp5 billion, price of 97.69464%, and Haircut of 0% (as announced in the BI-SSSS).

Selling settlement value (first leg)

$$\begin{array}{l} \text{First Leg} \quad \text{Nominal Value} \\ \text{Settlement} = \text{of SPN} \times (\text{SPN Price} - \text{Haircut}) \\ \text{Value} \quad \text{under Repo} \end{array}$$

$$\text{Rp}5,000,000,000.00 \times (97.69464\% - 0\%) = \text{Rp}4,884,732,000.00$$

Repurchasing ...

Repurchasing settlement value (second leg)

$$\begin{array}{rcl} \text{Second Leg} & \text{First Leg} & \\ \text{Settlement} & = \text{Settlement} & + \text{Repo Transaction} \\ \text{Value} & \text{Value} & \text{Interest value} \end{array}$$

$$\text{Rp4,884,732,000.00} + \left[\text{Rp4,884,732,000.00} \times \frac{11.00\% \times 1}{360} \right] = \text{Rp4,886,224,557.00}$$

Appendix 2

Example of Imposition of Sanctions on OMO Transaction Cancellations

Case 1

There are cancellations of OMO transactions for 6 times in a period of 6 months, namely 1 of SUN buying transaction by Bank Indonesia in secondary market, 1 of 1 month SBI auction transaction, 1 of 1 day tenor FASBI transaction, 1 of SUN selling by Bank Indonesia in secondary market, 1 of 1 day tenor FTK transaction, and 1 of 1 day tenor Repo transaction.

Date of Transaction Cancellation	July 15, 2008	September 18, 2008	December 11, 2008
Cancelled Transaction	SUN buying by Bank Indonesia in secondary market	1 month SBI Auction	1) 1 day tenor FASBI 2) SUN selling by Bank Indonesia in secondary market 3) 1 day tenor FTK 4) 1 day tenor Repo
Number of Cancellations	1	1	4
Accumulated Cancellations	1	2	6 ¹⁾
Date of Sanction Imposition	July 16, 2008	September 19, 2008	December 12, 2008
Sanctions	a. Written warning; and b. Financial penalty of 1‰ (one per one thousand) of nominal value of cancelled transaction.	a. Written warning; and b. Financial penalty of 1‰ (one per one thousand) of nominal value of cancelled transaction.	a. Written warning; b. Financial penalty of 1‰ (one per one thousand) of nominal value of cancelled transaction; and c. Suspension for 5 (five) consecutive business days, namely December 12, 15, 16, 17, and 18, 2008.

¹⁾ The accumulated cancellations of OMO transactions are 6 (six) times since July 15, 2008.
The following period of 6 (six) months will be started since the occurrence of a new cancellation.

Case 2

There are cancellations of OMO transactions for 5 times in a period of 6 months, namely 1 of SUN buying transaction by Bank Indonesia in secondary market, 1 of 1 day tenor FASBI transaction, 1 SUN selling transaction by Bank Indonesia in secondary market, 1 of 1 day tenor FTK transaction, and 1 of 1 day tenor Repo transaction

Furthermore, there are cancellations of OMO transaction for 3 (three) times in a period of 6 months, namely 1 of 1 day tenor FASBI transaction and 2 SBI Auction transactions (1 month SBI Auction and 3 month SBI Auction).

Date of Transaction Cancellation	July 15, 2008	August 11, 2008	December 11, 2008	December 18, 2008
Cancelled Transaction	SUN buying by Bank Indonesia in secondary market	1) 1 day tenor FASBI 2) SUN selling by Bank Indonesia in secondary market 3) 1 day tenor FTK 4) 1 day tenor Repo	1 day tenor FASBI	1) 1 month SBI Auction 2) 3 month SBI Auction
Number of Cancellations	1	4	1	2
Accumulated Cancellations	1	5 ²⁾	1	3 ³⁾
Date of Sanction Imposition	July 16, 2008	August 12, 2008	December 12, 2008	December 19, 2008
Sanctions	a. Written warning; and b. Financial penalty of 1‰ (one per one thousand) of nominal value of cancelled transaction	a. Written warning; b. Financial penalty of 1‰ (one per one thousand) of nominal value of cancelled transaction; and c. Suspension for 5 (five) consecutive business days, namely December 12, 13, 14, 15, and 19, 2008.	a. Written warning; and b. Financial penalty of 1‰ (one per one thousand) of nominal value of cancelled transaction.	a. Written warning; b. Financial penalty of 1‰ (one per one thousand) of nominal value of cancelled transaction; and c. Suspension for 5 (five) consecutive business days, namely December 19, 22, 23, 24, and 26, 2008.

²⁾ The ...

²⁾ The accumulated cancellations of OMO transactions are 5 (five) times since July 15, 2008.

³⁾ The accumulated cancellations of OMO transactions are 3 (three) times since December 11, 2008.

The following period of 6 (six) months will be started since the occurrence of a new cancellation.

Case 3

On July 15, 2008, there was 1 cancellation of SUN buying transaction by Bank Indonesia in secondary market and on August 11, 2008, there was 1 cancellation of 1 day tenor FASBI transaction. This brought about accumulated cancellations of 2 times since July 15, 2008 (still in the period of 6 months).

On January 26, 2009, there was 1 cancellation of 1 day tenor FASBI transaction. The accumulated cancellations are not counted since the cancellation of July 15, 2008, because it has been beyond the period of 6 months but counted since the cancellation of August 11, 2008. This brought about an accumulated number of cancellations of 2 times.

Furthermore, on February 5, 2009, there was 1 cancellation of 1 month OMO SBI Auction transaction. The accumulated cancellations are 3 times, counted since the cancellation of August 11, 2008 (still in the period of 6 months).

Date of Transaction Cancellation	July 15, 2008	August 11, 2008	January 26, 2009	February 5, 2009
Cancelled Transaction	SUN buying by Bank Indonesia in secondary market	1 day tenor FASBI	1 day tenor FASBI	1 month SBI Auction
Number of Cancellations	1	1	1	1
Accumulated Cancellations	1	2	2 ⁴⁾	3 ⁵⁾
Date of Sanction Imposition	July 16, 2008	August 12, 2008	January 27, 2009	February 6, 2009
Sanctions	a. Written warning; and b. Financial penalty of 1‰ (one per one thousand) of nominal value of cancelled transaction.	a. Written warning; and b. Financial penalty of 1‰ (one per one thousand) of nominal value of cancelled transaction.	a. Written warning; and b. Financial penalty of 1‰ (one per one thousand) of nominal value of cancelled transaction.	a. Written warning; b. Financial penalty of 1‰ (one per one thousand) of nominal value of cancelled transaction; and

Date ...

Date of Transaction Cancellation	July 15, 2008	August 11, 2008	January 26, 2009	February 5, 2009
				c. Suspension for 5 (five) consecutive business days, namely February 6, 9, 10, 11, and 12, 2009.

⁴⁾ The accumulated cancellations of OMO transactions are 2 (two) times since August 11, 2008. The cancellation of January 26, 2009, occurred outside the period of 6 months since the cancellation of July 15, 2008 but still in the period of six months since the cancellation of August 11, 2008.

⁵⁾ The accumulated cancellations of OMO transactions are 3 (three) times since August 11, 2008. The cancellation of February 5, 2009, occurred outside the period of 6 months since the cancellation of July 15, 2008 but still in the period of 6 months since the cancellation of August 11, 2008.

The following period of 6 (six) months will be started since the occurrence of a new cancellation.